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Army Intelligence Officer Convicted of Theft, 2 Other Counts;

Acquitted of 2

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A federal jury in Alexandria yesterday convicted Lt. Col. Dale E. Duncan, a veteran Army intelligence officer, of theft and two counts of filing false claims against the government, but acquitted him on two other counts of making false claims.

The mixed verdict came after nearly 7½ hours of deliberation during which jurors could be heard loudly arguing and debating among themselves. On Tuesday, U.S. District Court Judge Albert V. Bryan Jr. had acquitted Duncan, 39, of two other counts of making false claims against the government.

Duncan, who once ran a covert Army security unit in Annandale called Business Security International, could be sentenced to 20 years in prison and fined \$30,000. Sentencing was scheduled for March 14.

His trial was the first to emerge from a sweeping financial investigation of Army intelligence and special operations units that began over two years ago. Duncan and two fellow officers face Army court-martial proceedings as a result of the same investigation.

"I'm glad that a jury and this judge, who entered a judgment of acquittal on two counts, rejected the testimony of the government's chief witness," Duncan's attorney, John M. Dowd, said yesterday after the verdict. He said an appeal of the three-count conviction is likely.

The main federal prosecutor of the case, Theodore Greenberg, said, "The verdict reflects the jury's consideration of all the evidence and [its] finding that Lt. Col. Duncan is a thief, and the fraud speaks for itself."

The three counts on which Duncan was convicted yesterday related to a claim he made to an Army auditor checking the financial records of Business Security International in September 1983, according to testimony.

In accounting for about \$158,000 in Army funds advanced to him for the operation, Duncan told the auditor, Pat Patter-

son, that he had spent \$796 of those funds on a round-trip plane ticket to California. But because he could not find his ticket, he submitted his wife's ticket instead to document the cost of the trip, Patterson testified at the trial. Duncan's wife, Laura, had accompanied him on the trip.

Prosecutors showed the jury a copy of his ticket, showing Duncan had received it free because of a frequent flyer bonus program offered by the airlines.

Duncan, who took the stand Tuesday at the close of his defense, testified that he had traveled extensively during that period, making 40 to 50 trips, and had forgotten that that particular ticket had been free.

Prosecutor Greenberg told the jury in his closing argument that it would have been easy for Duncan to get a copy of his airline ticket from his travel agent for submission to Patterson.

Judge Bryan acquitted Duncan of two charges alleging he submitted a \$56,230 receipt for communications equipment to account for advanced funds. The jury acquitted Duncan of two other charges alleging he had falsely claimed paying \$84,400 to charter an airplane when someone else had actually provided the money.

Duncan, who has been in the Army 19 years as an intelligence officer, has been suspended from his regular duties since the Army's wide-ranging investigation began in December 1983.

Before that he managed Business Security International, which purported to be a civilian security consulting firm, but actually was an Army organization "to prevent hostile foreign elements from discovering what a group of small Army units were doing," according to Greenberg. Business Security International was disbanded in 1983.